

## Message Text

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64

ORIGIN COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 /018 R

DRAFTED BY COM/BIC/OIM/CATKINS  
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COM/BIC/OIM/ANDEAN/SHALL  
COM/BIC/OIM/ANDEAN/TKBREWER, CMM  
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----- 040189

P 262248Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS PRIORITY

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E.O. 11652: N/A

TAGS: BEXP, VE

SUBJECT: AGRIQUIPOS '76, MENDOZA/OPPENHEIMER

1. APPRECIATE EMBASSY EFFORTS AT BRINGING ABOUT A TURN-AROUND IN CURRENT FARM MACHINERY AGENT ATTITUDES VIS-A-VIS TRADE PROMOTION. AT THE VERY LEAST, SUCCESS OF AGRIQUIPOS 76 RESTS LARGELY IN EMBASSY ABILITY TO CONVINCE AGENTS SUCH AS MENDOZA, INTERSAN, SANCHEZ, SUCAM, ETC. OF BENEFITS INHERENT IN SHOW PARTICIPATION.

2. PRESIDENT OF OPPENHEIMER INTERNATIONAL (OPICO) ADVISES THAT THEIR VICE PRESIDENT AND DIRECTOR, DIEGO GUZMAN, CONTACTED MENDOZA JAN 21 OR 22 CONCERNING JOINT PARTICIPATION IN SHOW. OPPENHEIMER HAS ALREADY GIVEN US VERBAL ACCEPTANCE AND INTENDS TO REPRESENT FIVE FIRMS, THREE OF WHOM ARE MARKET LEADERS IN THEIR FIELD OF MANUFACTURE. MENDOZA IS REPORTED TO HAVE STATED: (A) THEY DO NOT INTEND TO PARTICIPATE IN ANY FORM, (B) THEY HAVE ALREADY REJECTED OFFERS FROM CASE AND OTHERS, AND (C) THE AGREEMENT BY DISTRIBUTORS TO BOYCOTT TRADE PROMOTION EVENTS STILL HOLDS.

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3. UNDER THESE CIRCUMSTANCES, OPPENHEIMER IS INCLINED TO WITHDRAW. TO FORESTALL THIS DECISION, WE CONVINCED OPICO PRESIDENT ELLIS THAT EMBASSY DOES NOT FEEL

THIS PROBLEM IS IRRECONCILABLE. PURSUANTLY, HE WILL HAVE GUZMAN VISIT EMBASSY DURING WEEK OF JANUARY 26 AND REQUESTS A FEW MOMENTS WITH AMBASSADOR IF POSSIBLE. HE WILL HAVE ALREADY HAD TALKS WITH MENDOZA ORGANIZATION WHICH WE ARE ASSURED, WILL BE FROM OPICO'S POSITION A POSITIVE APPROACH TO WORK OUT AN ACCEPTABLE SOLUTION. NEVERTHELESS, WITHOUT MENDOZA SUPPORT, THIS FIRM AND POSSIBLY ALL FIVE CONSTITUENTS WILL DROP OUT. (FYI, WE MAY BE ABLE TO WORK INDIVIDUALLY WITH AT LEAST ONE FIRM, BUSH HOG, WHO HAS ALREADY SENT IN PARTICIPATION AGREEMENT.)

4. IMPACT ON SHOW COULD BE SERIOUS. THE THREE IMPORTANT FIRMS ARE ONLY REPRESENTATIVES TO DATE FOR THREE BEST PROSPECT PRODUCT CATEGORIES, TO WIT: LILLISTON COMPANY FOR PEANUT DIGGERS; BUSH HOG FOR DEFORESTATION EQUIPMENT; AND DANUSER MACHINE FOR MECHANIZED POST HOLE DIGGERS. IN ADDITION, OTHER CANDIDATES WHO USE MENDOZA MAY BE DISSUADED.

5. IF SAME SITUATION HOLDS FOR INTERSAN'S PARTICIPATION, ANOTHER SERIES OF COMPANIES MAY DROP OUT.

6. OPPENHEIMER SAYS SOLUTION MUST BE WORKED OUT AND DECISIONS MADE BEFORE JANUARY 30 BECAUSE ELLIS, THE KEY DECISION-MAKER, WILL BE LEAVING ON EXTENDED BUSINESS TRIP TO EUROPE.

7. UNCERTAINTY HAS HAMPERED SOLICITATION TO SOME EXTENT BECAUSE WE HAVE FEW FIRM PROMINENT COMPANIES AND CANNOT, THEREFORE, USE A BELL-COW APPROACH WITH CANDIDATES. POSSIBILITY EXISTS THAT THE LARGE MAJORITY OF PARTICIPANT/CANDIDATES WILL HAVE TO BE NTM IF ALL FARM EQUIPMENT MACHINERY AGENTS DECIDE TO STAY OUT OF SHOW. THESE NTM COMPANIES COULD BE DISAPPOINTED WITH RESULTS FROM SHOW WITHOUT POSSIBLE ACCESS TO KEY DISTRIBUTORS; AND BECAUSE SHOW WOULD NOT CONVEY THE FULL POTENTIAL OF UNCLASSIFIED

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U.S. TECHNOLOGY AND EXPERTISE IN THIS FIELD.

8. WE THEREFORE URGE IMMEDIATE CONTACTS BE MADE BY APPROPRIATE EMBASSY OFFICER TO (A) GAI SOUNDING FROM MAIN DISTRIBUTORS AS TO FIRMNESS OF STANCE TO BOYCOTT SHOW, AND WHETHER JUST FOR TRACTORS OR FOR SHORT-LINE ITEMS ALSO; (B) DETERMINE LIKELY PRESSURE TO BE PLACED ON U.S. COMPANIES WHO THEY REPRESENT TO DIS-

SUADE THEIR GOING IT ALONE, (C) ASCERTAIN IF ANY ARGUMENTS OR PERSUASIONS ARE POSSIBLE TO ALTER THEIR POSITION AT THIS TIME.

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9. BECAUSE OF EXTREME URGENCY TO COMMENCE WORK ON PROMOTION AND EXHIBIT LAYOUT, IT IS IMPERATIVE THAT EVERY EFFORT BE MADE TO EXPEDITE NEGOTIATIONS WITH AGENTS. ACCORDINGLY, WE WILL BE PLEASED TO PROVIDE WHATEVER ASSISTANCE IS REQUIRED. KISSINGER

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